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Power, legitimacy and urgency amongst stakeholders: Setting strategy amongst mainland Scotland's, rural, independent museums

Poder, legitimidad y urgencia entre los grupos de interés. Estrategias en los museos continentales escoceses, rurales e independientes

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Abstract

Data indicates that Scottish museum attendance is rising annually, yet anecdotal comments appear to contradict this evidence. The Resource-Based View suggests variations in performance stem from an organisation's ability to access and use resources. This perspective is examined through the concept of stakeholder theory. This research investigates the influence stakeholders have on independent, rural Scottish museums a sector regarded as under-researched. This is underpinned by the following: 1. To critically evaluate strategy and stakeholder theory, in relation to not-for-profit especially museums; 2. To assess the salience of stakeholders in mainland Scotland's independent rural museums; 3. To examine critically how mainland Scotland's independent, rural museums develop strategy in relation to their stakeholders. Using a case approach to investigate the museums' strategies it emerged that all museums used their stakeholders to access resources in pursuit of their strategies. One museum had ceased strategizing because of losing the definitive stakeholder's confidence. Three outliers emerged based on their ultimate governance, but their strategic thinking mirrored similar sized museums in the sample.

Keywords

Independent; museums; rural; stakeholder; strategy

Resumen

Los datos indican que la asistencia al Museos Escocés está aumentando anualmente, pero los comentarios anecdóticos parecen contradecir esta evidencia. Esta perspectiva se examina a través del concepto de teoría de los interesados. Esta investigación investiga la influencia que las partes interesadas tienen en los museos escoceses rurales independientes, un sector considerado como poco investigado. Esto se basa en lo siguiente: 1. Evaluar críticamente la estrategia y la teoría de los públicos de interés, en relación con los museos sin fines de lucro, especialmente; 2. Evaluar la importancia de los públicos de interés en los museos rurales independientes de Escocia continental; 3. Examinar críticamente cómo los museos rurales independientes de Escocia desarrollan estrategias en relación con sus públicos de interés. Utilizando un enfoque de caso para investigar las estrategias de los museos se constató que todos los museos usaban a sus públicos de interés para acceder a los recursos en busca de sus estrategias. Un museo había dejado de formular estrategias como resultado de perder la confianza del público de interés final. Surgieron tres valores atípicos basados en el tipo de gobernanza, pero su pensamiento estratégico reflejaba museos de tamaño similar en la muestra.

Palabras clave

Estrategia; independiente; museos; rurales; público de interés

1. Introduction

This paper explores the role stakeholders play in shaping the strategy of mainland Scotland's, rural, independent museums; particularly the idea that stakeholders may be a source of competitive advantage in creating a sustainable strategy for these museums.

Scotland's, rural, independent museums is a museum typology identified as under-researched. Although under-researched, the wider museum sector's importance to Scotland is recognised politically (Scottish Government, 2009; 2017), socially (Museums Galleries Scotland, 2012; 2015a) and economically (Museums Galleries Scotland 2012, 2015b). Socially and politically Scottish museums have been cited as an invaluable vehicle for educating society and developing social cohesion (Museums Galleries Scotland, 2012; 2015a), whilst their economic importance can be measured quantitatively in terms of employment and income generation (Museums Galleries Scotland, 2015b).

Statistically, visiting a museum is one of Scotland's most popular leisure activities (Museums Galleries Scotland, 2015b) yet anecdotal evidence suggests that many museums are not part of this experience (Museums Galleries Scotland, 2015a). Explanations for this dichotomy are inevitably complex, but arguments include competition from other tourist activities, as well as location. Location is cited in other rural literature, as a barrier to customers and skilled labour, and used to explain the small-scale nature of operations (Butnaru & Haller, 2017). These opinions suggest that a number of factors explain a firm's performance. A widely held view is that a firm's performance rests on its ability to respond to its environment, but it is argued this perspective fails to explain adequately variations in organisational performance. These differences, the Resource-Based View believes, lies in an organisation's ability to access and manage resources that are rare, valuable, difficult to imitate, and difficult to substitute (Dess, Eisner & McNamara, 2015; Johnson, Scholes & Whittington, 2011; Thompson, Scott & Martin, 2017). Freeman (1984) an organisation's relationship with its stakeholders (Freeman, 1984) will result in access or denial to rare, valuable, difficult to imitate, and difficult to substitute (Barney, 1991).

Against this backdrop, the Scottish Government has indicated repeatedly that museums, like many other cultural activities need to consider strategies that look beyond government funding as the solution. Instead, organisations such as museums will have to focus on the resources available to them, if they are to develop a sustainable competitive strategy (Museums Galleries Scotland, 2015a; Scottish Government, 2017). This paper examines a possible solution: stakeholders.

The research aims to analyse critically the influence Scotland's rural, independent, museums' stakeholders have on these museums' strategies. This aim is underpinned by the following objectives, namely:

1. To critically evaluate strategy and stakeholder theory, in relation to not-for-profit especially museums;
2. To assess the salience of stakeholders in mainland Scotland's independent rural museums;
3. To examine critically how mainland Scotland's independent, rural museums develop strategy in relation to their stakeholders.

2. Literature Review

Research indicates that organisations irrespective of their governance: commercial, public or not-for-profit invariably focus their strategy on one particular group (Johnson, Scholes & Whittington, 2011), because this group has the power and influence to help or hinder the organisation's mission. The identity of this group varies. Haugh (2007) contends that it is the board of trustees, but Hyndman & McMahon (2011) believe government is the key determinant, because of its regulatory powers, whilst Johnson, Scholes & Whittington (2011) offer a third group: the staff. This stakeholder, staff has been historically regarded as pre-eminent stakeholder within the museum sector (Legget, 2009), because of their curatorial skills.

The literature suggests therefore, that the strategies of profit and not-for-profit organisations are influenced by one or more stakeholders, and the greater the group's power, the greater its ability to shape strategy (Dess, Eisner & McNamara, 2015; Thompson, Scott & Martin, 2017). Strategy is in effect a mechanism designed to meet various groups' expectations. Grant (2015) posits that to meet these expectations the firm must manage and plan the process, since evidence indicates that firms that do, are more likely to satisfy their stakeholders' expectations (Verbeke & Tung, 2013).

The argument implies stakeholders are manipulating strategy to their advantage, yet a number of commentators (Jawahar & McLaughlin, 2001; Kolk & Pinkse, 2006; Kujala, Heikkinen & Lehtimäki, 2012) maintain an organisation can gain a competitive advantage by manipulating its stakeholders. A feature

Dess, Eisner McNamara (2015) assert is at the heart of an effective strategy. Grant (2015) contends that strategy is rooted in competitive advantage, yet Moody (2007: 111) maintains 'despite competitive advantage's wide use, few researchers have attempted to define the concept'. Competitive advantage does not come from being simply different; it is achieved when an organisation exploits and successfully maintains its advantages over its competitors (Dess, Lumpkin & McNamara, 2015; Thompson, Scott & Martin, 2017), but ultimately competitive advantage lies with managing its stakeholders (Crilly & Sloan, 2012). The reality though is that competitive advantage is invariably transitory, as competitors seek to mimic an organisation's strengths and undermine its competitive advantage (Volberda et al., 2011). Porter (1985) argued therefore that sustaining this advantage must underpin the firm's strategy.

Strategy within not-for-profit organisations has frequently drawn its thinking from the commercial world (Brown, 2015), including the Positioning School or the Resource-Based View paradigms. Brown (2015) argues this decision may relate to the lack of models grounded within a not-for-profit paradigm, or as some have commented (Morris et al., 2007) it is easier and quicker to apply existing strategic thinking, than develop new models. A further feature of Not for Profit organisations is that invariably they are characterised as small medium size enterprises (SME), which literature and empirical evidence suggest lack resources (Townsend, McDonald & Cathcart, 2016). The practice instead is to rely on operational plans or ad hoc processes and consequently SMEs rarely produce strategic documents (Analoui and Karami, 2003). The reality is that SMEs have more in common with other similar sized organisations, rather than with larger organisations within the same sector, because they are confronted by the similar issue: limited resources. Literature suggests that an SME's good practices are often transferable across sectors, because of shared experiences and similar organisational issues e.g. lack of resources and consequent need to network with other individuals and groups to access these resources (Schlierer et al., 2012).

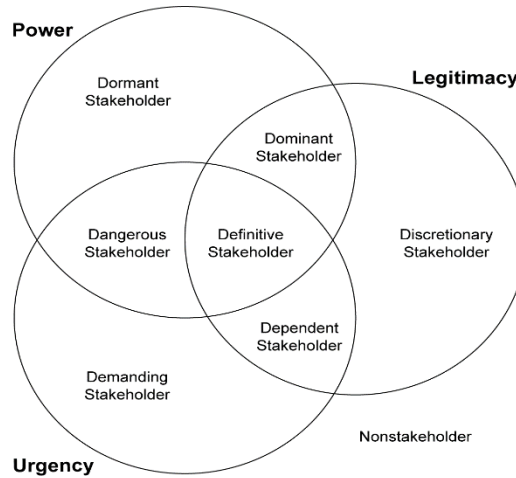
Freeman's (1984) stakeholder theory explains how these relationships shape an organisation. He listed various groups whom he believed interacted with the organisation and termed them stakeholders. He defined a stakeholder as: "Any group or individual who can affect, or is affected by the achievement of the organisation's objectives" (Freeman, 1984:46).

Donaldson & Preston (1995) assert that stakeholding is "managerial in the broad sense of the term", because it can integrate descriptive, instrumental and normative theories in helping managers to make decisions. The validity of their argument is still widely accepted and cited as the basis of managerial decision making in relation to stakeholders (Verbeke & Tung, 2013). Donaldson & Preston (1995) maintained that stakeholding became more understandable, if the descriptive, instrumental and normative elements were viewed as nesting within each other, but central to stakeholding theory is the theme of 'doing the right thing' with its explicit concepts of justice, fairness and responsibility to others.

In order to understand better the descriptive, instrumental, and normative elements of stakeholder theory, it is necessary to understand the attributes that underpin the relationship between a stakeholder and an organisation, particularly when viewed within the framework of Resource-Based theory. Frequently stakeholding has relied on the process of simply listing stakeholders without explanation, consequently the theory has been criticised as too simplistic and theoretically impoverished (Miles, 2012). Therefore, various attempts have focused on the stakeholders underlying characteristics or attributes, in an effort to create a more robust, descriptive theory. Frooman's (2002) work provides an invaluable analysis of these attributes. He identified variations in the relationship between stakeholders and organisations around the principal attributes of power and morals. Frooman (2002), however acknowledges Mitchell, Agle & Wood's model is a more comprehensive attempt to categorise attributes and is frequently cited in the stakeholder literature, as a method of categorising a stakeholder's salience (Santana, 2012).

Mitchell, Agle & Wood (1997) identify the attributes of power and legitimacy as characterising a stakeholder's salience (Figure 1). Power they classified as one party's ability to impose its will by coercive, utilitarian or normative means on another party, for example a union calling its members out on strike to press for a pay rise. Legitimacy they believed lay within a normative core, because 'the actions of an entity are desirable' and can be considered within an individual, organisational or societal framework. An example would be a firm's willingness to offer schoolchildren work experience. The firm's response is arguably rooted in a legitimate request from the school, but the school has no power to force the firm to accept this request. The firm's decision is motivated by the belief that this action is socially and morally desirable.

Figure 1: Stakeholder Typology: One, Two or Three Attributes Present



Source: Mitchell, Agle & Wood (1997).

A key difference between Mitchell, Agle & Wood's (1997) model and other models, notably the frequently used 2 x 2 matrix is that it adds a third attribute; urgency, to the common attributes of power and legitimacy. Mitchell, Agle & Wood (1997) define urgency as time sensitive and critical, underpinned by a sense of necessity. Their argument posited that the traditional 2 x 2 matrix based around power and interest was too simplistic, and failed to capture a sense of dynamism. Their belief was that without this sense of compulsion to act, the 2 x 2 matrix suffers from a lack of realism. The decision to add urgency to the attributes of power and legitimacy expanded the typologies from four to eight. This creates a richer, more nuanced interpretation of a stakeholder's salience to the organisation and therefore improves managerial decision-making. The model (Mitchell, Agle & Wood, 1997) helps management categorise the relative importance of a stakeholder and act accordingly (Crilly & Sloan, 2012).

Stakeholder theory offers a basis for tackling the conflict inherent in providing public goods and services. On one hand firms face the need to be financially efficient (Christensen, Goerdel & Nicholson-Crotty, 2011), yet this often undermines the need to deliver goods and services necessary for a fair and just society. The moral dimension to these goods and services creates a different set of expectations amongst its stakeholders, and a more ambiguous set of goals than that found amongst commercial organisations (Johnson, Scholes & Whittington, 2011; Thompson, Scott & Martin, 2017). Governments have frequently intervened to fund and even provide these public goods, but because of its complexity, staff has often emerged as the definitive stakeholder amongst these providers, both public and not-for-profit organisations (Johnson, Scholes & Whittington, 2011). This practice emerged, because staff believed they had the right to shape the organisations' aims and objectives, as they ideologically often share the same aims and values as the organisation (Thompson, Scott & Martin, 2017).

However as governments have faced financial strictures they have increasingly sought to deliver these services through not-for-profit organisations partly in the belief that these not-for-profit organisations are more effective and efficient than public sector organisations, but also because they are less bureaucratic and more flexible (Curristine, Lonti & Joumard, 2007). There may also be a conviction that not-for-profit organisations' experience of fund raising will reduce the need for public money. The result is that not-for-profit organisations and the public sector have become more entwined, as governments offer grants and loans to not-for-profit organisations to deliver services (Kerlin & Pollak, 2011). This financial inter-dependency means that governments have the ability to influence strategy, because they have become a major funder and rejection or refusal to meet government needs or expectations may result in reduced or withdrawn funding.

The growth of not-for-profit organisations stimulated by government and other interested stakeholders has led to tension between stakeholders over the need to adopt a more managerial approach (Brown, 2015).

Staff has feared that a managerial approach will undermine the ethos of their organisation, but government maintains that a managerial approach will improve performance. The government has been able to enforce this principle, certainly within a British context because of the funding it provides to the sector (Bennett & Savani, 2011). From this position, it is able to signal to potential claimants that funding must satisfy the political agenda, for example the need to demonstrate social inclusion (Bennett & Savani, 2011). This process has arguably seen government emerge as the definitive stakeholder; because it controls access to financial resources, but also its salience is linked to its regulatory power regarding public goods and services e.g. education.

The last twenty years have seen significant upheavals within the museum world as museums have adapted, sometimes willingly, sometimes unwillingly to the changing demands and expectations of its stakeholders. A change in thinking and practice has been and is being driven by changing stakeholder expectations and demands, particularly those stakeholders with power, legitimacy and urgency – the customer, and government (Bryan, Munday & Bevins, 2012; Hsieh, 2010). The argument is if museums are to flourish they must pursue a more managerial approach by adopting commercial skills in marketing, human resources and financing museums (Lindqvist, 2012). The assumption is that the managerial skills found in the commercial world are more relevant competences than curatorial ones: and that these skills with their emphasis on income generation, cost control, customer focus and human resources are more suited to the current, complex environment, that confront museums.

Museum Galleries Scotland drawing on research commissioned by Moffat Centre for Travel and Tourism estimated in 2014 Scotland's 460 museums and galleries welcomed 27.65 million visitors and sustained nearly 4,000 jobs (Museums Galleries Scotland, 2015b). Museums are categorised as Independent, Local Authority, University, Military, and National. The most common governance is Local Authority, closely followed by Independent. A museum's governance reflects its collection policies and funding, for example, University museums receive the majority of their funding from universities and their collections to support university teaching and research. There is however significant local authority funding of independent museums. The number of visitors however cannot disguise the reality, that many Scottish museums attract less than 10,000 visitors (Museums Galleries Scotland, 2015b).

3. Methodology

Bryman (2012) maintains social science research is an attempt to explain observed regularities, within a limited domain (Punch, 2014), although he contends it is specifically about observing human behaviour. Blaxter, Hughes & Tight (2010) nevertheless pithily comment, that whatever the aim of the research, it is frequently messy and irregular, often characterised by frustration and blind alleys. Social science research encompasses a variety of perspectives and methodologies, but Marshall & Rossman (2015) describe the approach that concentrates on an individual's lived experience as a phenomenological approach. A phenomenological strategy favours subjective interpretation, by researching people's perceptions, attitudes and feelings (Denscombe, 2014). It is further observed that a phenomenological strategy is appropriate where the researcher has an empathy and understanding of the topic (Saunders, Lewis & Thornhill, 2015); it has frequently been applied within an education and business context (Denscombe, 2014). A phenomenological approach emphasises the respondents' roles in shaping their environment. These events provide the basis for interpretation, but because the researcher has a shared understanding of similar experiences lends a degree of empathy to them. These experiences however acknowledge that are multiple interpretations of reality, because each respondent perceives events differently, and therefore views the world differently. It is by combining these narratives; the researcher can build a more nuanced, complex image of the world.

It is argued that museums reflect a socially constructed creation and like other organisations mirror various stakeholders' inputs, beliefs and values, but the contention is that invariably only management's beliefs and values are sought during social science research (Mullins & Christy, 2013). The fear is that management theory is rooted solely in management's perceptions to the detriment of organisational theory. The decision therefore to use a phenomenological approach strengthened the need to interview a variety of stakeholders. The result would provide a richer, more complex picture which would ultimately lead to a better understanding of museum strategy, and arguably lead to better management decision making.

A phenomenological approach favours a case study design, because it focuses on the dynamics of a phenomenon within the single setting (Eisenhardt, 1989); in this instance mainland Scotland's independent, rural museums. Case studies are especially useful when research seeks to answer "how" and "why" questions (Denscombe, 2010; Yin, 2014). The research sought to investigate why museums strategise and how stakeholders influence this process. Case studies seek to use multiple data collection techniques to develop a deeper insight into the phenomenon under investigation (Yin, 2014).

The primary method of data collection used to investigate the independent, rural Scottish museums was face-to-face semi-structured interviews with a range of stakeholders. This approach allowed interviewees to discuss their experiences of how they affect and are affected by these museums, particularly in relation to strategy. Interviewing is fraught with hidden dangers (Denscombe, 2014; Marshall & Rossman, 2015), therefore to minimise these difficulties it is important to plan and prepare, this process included a series of pre-visit contacts, as well as visiting each museum twice in an effort to build trust and encourage the stakeholders to discuss openly their perceptions.

Slack, Corlett & Morris (2015) amongst others demonstrated that stakeholder theory is especially suited to interviews, since it allows stakeholders to express opinions about their relationship with the organisation and how it affects them and they affect it. This method of data collection, interviews allows a better understanding of the dynamics and subtleties involved in relationships, particularly as relationships differ between social actors (Denzin & Lincoln, 1994; Denscombe, 2014). These subtleties involving human relationships cannot be adequately explored through a quantitative approach.

Twelve museums were randomly selected. The length of interviews varied by stakeholder, but normally lasted between one and two hours. Shorter interview times were recorded with staff often, 20-25 minutes, because of operational needs. Similarly, visitor interviews were shorter, lasting approximately 15-20 minutes, because of their other commitments. The interviews were recorded with the exception of visitor interviews. The benefit of recording the interview was that it provided a permanent record of events, which could be examined later (Denscombe, 2012). This process also allowed the interviewer the opportunity to concentrate on the interviewee's comments without the distraction of recording notes (Black, 1999), although brief hand-written notes were also kept acting as prompts. The visitors' interviews were hand written, because the interviews occurred outside the museum and also recording may have intimidated the interviewee, as normal practice in street interviews is to use hand written notes or tick box questionnaires.

The methods produced quantitative and qualitative data, which allowed triangulation (Neuman, 2004), and which Denscombe (2012) recommends as good practice. The data produced was predominately qualitative in nature, but quantitative data relating to each museum's performance was also generated.

Qualitative data is concerned with words and images out of which the researcher seeks to interpret meanings and explanations as to the way people behave and understand social constructs. Various techniques have been ascribed to analysing qualitative data, but Punch (2014) maintains that there is not a definitive way to analyse qualitative data, rather it is conditioned by the purpose of the research. The crux of analysis is the need to be rigorous and systematic.

Using thematic analysis, the qualitative data was coded in the context of each museum. This process provided the researcher with a greater understanding of the material, but it also allowed the researcher the opportunity to seek further clarification from the interviewee (Denscombe, 2012). Initially coding involved a stakeholder identification process (Donaldson & Preston, 1995) simply listing each museum's stakeholders' ability to affect or be affected by the museum. The data was then codified using Mitchell, Agle & Wood's (1997) typology to plot the listed stakeholders' attributes.

It is recognised that the researcher created the list of stakeholders and that this is one person's interpretation of a stakeholder's salience, however this weakness was overcome by triangulating comments during interviews, as well as reading documents and noting observations during visits. The other methodological weakness is that one person may represent two or more stakeholders such as governing body and volunteer, and their opinions may be influenced by their dual position. This feature was identified during piloting, but was considered by the pilot focus group as immaterial, since interviewees are aware of the role they are occupying at any given moment in time.

It is observed that any research that involves people will inevitably raise ethical issues, therefore the researcher owes a duty of care to the participants and future researchers who may wish to investigate this population (Blaxter, Hughes & Tight, 2010); for example, guaranteeing the respondent's anonymity without compromising the integrity of the data. A number of other factors must also be considered at the outset, particularly as to whether the topic may cause offence or controversy, and mechanisms for dealing with complaints, if they arise. The researcher must also ensure that there are no possible conflicts of interest.

4. Findings

The museums were characterised by low visitor numbers, numbers ranged from 150 to 17,500, although one outlier attracted 25,000 visitors. The museums relied on a diversity of income streams, but the visitor in one guise or another was often the single most important financial source through admissions, donations or Gift

Aid. All museums bar one also generated revenue through retailing and/or catering activities. However in three cases the Local Authority was the largest financial contributor and the reality is that a further seven museums also benefitted from local authority financial support. The museums collectively employed a number of full and part time staff, respectively 14 full time staff and 64 part time, but the greatest source of labour was the approximately 240 volunteers. Ten museums had at least one paid employee, but four museums relied solely on volunteers. Evidence suggests a number of stakeholders influence these museums and therefore their strategies.

5. Discussion

The governing body is responsible for developing a museum's policies (Museums Galleries Scotland, 2017); but their responsibilities amongst the 14 museums differed, depending on the museum's income. Museums whose income was less than £70,000 relied on the trustees to fulfil a number of roles. They were responsible for setting policy, but they were also responsible for implementing these policies in the guise of volunteers. The chairmen of two museums also fulfilled the role of a manager, effectively supervising and monitoring the performance of paid staff, franchise holders and volunteers. It was only as the museum's turnover increased that the trustees and volunteers become more distinct, separate bodies, although trustees continued to act as volunteers.

The larger museums (income > £70,000) delegated daily management to a paid employee. This situation arose because the trustees, unpaid and voluntary, did not have the time to manage an increasingly complex organisation. This process of delegation characterises agency theory (Jensen & Meckling, 1976) and is evidence of a larger organisation (Mullins & Christy, 2013). The effect is to divide responsibilities between the principal (trustees) and agent (management); trustees adopted a strategic, advisory role, whilst managers oversaw day-to-day operations. Explicit and implicit contracts underwrite these responsibilities between the principal and the agent (Jensen & Meckling, 1976), and frame their respective boundaries and guide the organisation. O'Shannassy (2010) argues that this relationship between the board and senior managers is at the centre of the organisation's network of relationships and influenced the organisation's performance.

The difficulty arose when the manager doubted the trustees' abilities to fulfil their responsibilities or, worse, lost confidence in the trustees' ability. It is these responsibilities, acknowledged repeatedly in interviews that separates the trustees from other stakeholders and makes them the definitive stakeholder. Intriguingly the interviewees did not view salience as driven by power but by responsibility, a term associated with the notion of corporate social responsibility as identified in Donaldson & Preston's (1995) normative core, and more suggestive of Freeman's (1984) Kantian perspective "of doing the right thing". Responsibility is more suggestive of a burden than a benefit; unlike power, which indicates the ability of one party to impose its will on another party (Mitchell, Agle & Wood, 1997). Responsibility implies accountability for that action (Buchholtz & Carroll, 2014), a characteristic not associated with power, although Mullins & Christy (2013) suggests responsibility infers authority and therefore by extension power.

The trustees' behaviours and actions were widely applauded by other stakeholders: volunteers, visitors, local authorities and MGC, because of the time and effort they devote to museum for the benefit of other stakeholders. It was suggested that trustees were motivated by altruism, a desire to do the 'right thing', reinforcing the normative principle of stakeholder theory (Freeman, 1984). Altruism had prompted some to become trustees, but others were recruited on the basis of friendship, or alternatively sourced from amongst the most enthusiastic local volunteers. The advantage of recruiting locally is that the trustee may be more aware of local issues and sensitivities, including the role and significance of the museum to the local community. The effect of recruiting local trustees supports the argument (Wilson, Bunn & Savage, 2010) that organisations seek to create dense networks as means of accessing resources and combating threats.

This drive to recruit new trustees with managerial or professional skills often heralds the emergence of a new culture, which some trustees view positively; others resign unable to accept the new culture. Explanations for resignations varied, but underpinning their exit was a belief that their salience had diminished within the board. Mullins & Christy (2013) states that conflict is 'an inherent feature of organisations', as individuals seek to exercise power. This is demonstrated in their behaviour towards other stakeholders, which can lead to improved performance, but conflict has to be managed, otherwise it is destructive. Tuckman & Jensen (1977) argued conflict is inevitable, as groups move through various stages of relationships in an effort to improve their effectiveness. Evidence identified at least three boards that had encountered serious conflict, yet the loss of certain stakeholders had led to greater cohesion and effectiveness within the board and improved performance.

Stakeholder conflict and the potential for the stakeholder to threaten the organisation by withdrawing resources has been noted (Frooman, 2002; Wilson et al., 2010), and emphasises the link to resource-based literature. The apparent success of three museums suggests that the withdrawal of resources did not affect the organisations' performance (Orlitzky & Swanson, 2012), instead it allowed the organisation to develop a more effective strategy, based on identifiable sources of competitive advantage. At two museums the threat has been contained, but performance is static, suggesting reduced access to resources.

Historically, paid staff's salience emanated from their access to curatorial skills and knowledge (Moore, 2004), which were regarded as an inimitable resource (Barney, 1991). This has changed, as other stakeholders, notably customers and government, have demanded managerial skills (Hatton, 2012).

Ten museums employed paid staff, of which seven employed managers, four full time, two-part time and one unpaid, although the chairmen of trustees at two museums also fulfilled the role of manager. This role reinforced their salience derived from chairmanship of trustees. The larger museums delegated day-to-day operations to a manager, because of the complexity involved in managing the operation. Jensen & Meckling (1976) postulate that engaging a manager involves agency theory and issues of trust and cost, since the position controls and regulates the flow of information between the organisation (the trustees) and other stakeholders, in effect it can become the definitive stakeholder (Mitchell, Agle & Wood, 1997).

This was demonstrated at one museum where the trustees' ineffective control and direction frustrated the manager. She consequently collaborated with other stakeholders centred on her business and political networks to access resources (Wilson et al., 2010) and usurps the principal (board of trustees) (Jensen & Meckling, 1976). Berle & Means (1932) noted as long as the 1930s that a manager is in a position to dominate or ignore the principal because of his (sic) ability to filter or distort the information that the board receives. This is possible, Jensen & Meckling (1976) contend, where stakeholders are dispersed, and the principal lacks the resources to coordinate and scrutinise performance. This was possible partly because the trustees lacked the resources to monitor performance but, unlike another museum where the manager was dissatisfied the manager allied herself to a dominant stakeholder, which provided 50% of the museum's income.

Managers can influence museum strategy, because of their position at the centre of organisational networks controlling the information to and from the trustees. The museum networks in many examples were open, because trustees also served as volunteers and therefore had access to similar operational knowledge. The manager's salience increased where the trustees were diffuse and lacked the resources to monitor the manager, as clearly evident at one museum. Here the support of a dominant stakeholder strengthened the manager's salience. The manager's relationship appeared positive offering further proof of her position as the definitive stakeholder.

The larger museums employed paid staff aside from managers. Staff was viewed as an asset, yet their salience varied depending on the organisational structure, managers' behaviour and to an extent their numbers. Paid staff at one museum enjoyed considerable input into strategy, according to the manager, an assertion paid staff supported. However, the decline in the number of paid staff in recent years reduced their salience, since fewer staff meant less power and weaker legitimacy. Five museums had retrenched by making staff redundant, either voluntarily or compulsorily. Redundancy is a popular strategy (Thompson, Scott & Martin, 2017), because labour is often the largest cost to many organisations, including museums (Museum Galleries Scotland, 2013). The number of part time staff, however, had remained constant, but the observation, though, is that staffing was increasingly characterised by fractional appointments, whether seasonal or part time, and a sense that their salience had diminished because of this changing organisational structure.

This development is an attempt by trustees to create a more flexible staffing structure that more appropriately matches the peaks and troughs of demand, but it is also an attempt to improve the customer's experience, by aligning staff skills and capabilities more closely to their needs (Leask, Fyall & Garrod, 2012). Thompson, Scott & Martin (2017) maintain that redundancies may be a necessary measure to sustain the organisation but there is recognition that it can lead to a fall in quality and output if poorly implemented. There was evidence, however, that where redundancies had been poorly explained or implemented, it had generated resentment amongst the remaining staff. There was a sense of loss and betrayal, but also anger because the staff that remained to shoulder a greater workload. These labour events demonstrate that the trustees had responsibilities and power absent from staff. This further strengthens comments that trustees are the definitive stakeholder.

Museum trustees' and managers' comments support the claim that the staff's personalities are a critical factor in luring and retaining customers, but, in addition, some museums claimed they had invested considerable resources in developing the staff's skills to create a more professional organisation. This variation in investment corresponds to Leask et al (2012) assertions that human resource ideas and

practices still need further developed. The difficulty for many museums, including the majority of this sample, is that limited staff numbers make it impractical or impossible to divert staff for training because of the daily needs of the museum. Boddy & Paton (2010) maintains that investment in training is vital for organisational survival and Barney (1991) contends that within a resource-based view developing employee skills and competences can create and sustain competitive advantage. Tourism literature supports this belief that a tourist destination will increasingly have to focus on its skills, rather than the destination's physical resources, if it wishes to create a competitive advantage (Leask et al., 2012).

Where training does occur, the emphasis appears to be on skills acquisition such as how to welcome customers or hygiene practices in serving food. This emphasis on functionality is invaluable in helping to meet operational needs, but it does not address the issue of self-actualisation; consequently, staff often look to managers for solutions. This belief is substantiated by an employee who believes that staff have little desire to develop ideas or solution, beyond minor adjustments and recommendations. The difference in approach may stem from the manager, but it may also relate to the employee's skills base (McCall & Gray, 2014). One trustee contends that the community's location leads to outward migration amongst the more skilled members of the community, because of limited job opportunities. However, in another example improved access has seen the hamlet's population which has led to a larger, better qualified pool of labour. This availability of better skilled labour willing to work part time has enabled the museum to offset the decline in full time staff and strengthened the manager's belief in empowering the paid staff. Carroll & Buchholtz (2014) contend that empowering staff strengthens the relationship between the organisation and staff, leading to greater identification with the organisation and higher output. A view that is supported by who argued empowerment increases responsibility, job satisfaction and customer service (Ölçer, 2015). This drive to professionalise the staff is viewed as needing to encompass volunteers, because the concern is that volunteers may not have the skills and competences found amongst paid staff (Museums Galleries Scotland, 2015c).

Museums, like other not-for-profit organisations, welcome volunteers for a variety of reasons; because they are unpaid, enthusiastic, and often provide free specialist skills or knowledge based on their occupation. They also provide a visible link to the community and can act as an advocate within the community (Nina, 2013). These reasons help to explain the power, legitimacy and, on occasion, urgency they exert in claiming to be the definitive stakeholder to many museums. This view is reinforced by the fact that amongst these museums an overwhelming number of trustees are also volunteers, in effect, a trustee volunteer axis dominates organisational activities.

The obvious benefit to museums is that volunteers are unpaid, an important feature to a museum since labour is often its biggest operating cost. The use of volunteers as a cost control mechanism has been cited previously in literature (Haug, 2012, Nina, 2013). Evidence for this thinking exists at various museums who argue that volunteers enable the museum to offset increases in operating costs incurred elsewhere in the organisation, not only labour costs. The other financial benefit to using volunteers is that their presence can lever extra resources out of third parties such as charitable funds, Heritage Lottery Fund, or local authorities. Only one museum expressed this idea, but the local authority acknowledged that this practice occurred amongst other museums and voluntary organisations. It was stated that the presence of volunteers encourages funding bodies to offer grants, because it demonstrates 'embeddedness, in effect social inclusion (Nina, 2013). The reality is that it is maybe difficult to objectively demonstrate this 'embeddedness', but governments are keen to support local organisations that provide services in the community (Jones et al., 2016).

However, some stakeholders value the volunteers for their dynamism, because they want to perform the task, rather than because they are paid to do so. This enthusiasm translates into a willingness to engage with the customer and leads to a better visitor experience, in effect this behaviour creates a competitive advantage vis a vis paid attraction. Nina (2013) maintained this enthusiasm offered a source of competitive advantage since it allowed the organisation to build a relationship with the customer, but maintained that not-for profit organisations focussed on the financial savings, rather than the potential income they could generate from their enthusiasm. Some interviewees claimed that this enthusiasm was more prevalent amongst incomers because they are looking to integrate into the community, a characteristic noted by Nina (2013). Furthermore, interviewees stated that enthusiastic volunteers were the most effective and efficient method of recruiting other volunteers.

These comments reflect Nina's (2013) contention that museums need to recognise the motivations underpinning someone's desire to volunteer, rather than simply viewing volunteers as a cost benefit, because this relationship is founded often on an emotional bond (Haug, 2012). This deeper relation offers access to skills and knowledge that are free, but often recruitment is based on word of mouth rather than specifically targeting the most able people.

The weakness of this approach is that organisations recruit individuals of a similar gender, age and social class; invariably within a museum context this appears to be someone over 60 years of age, often middle class and frequently female, supporting elements of Nina (2013) observations. This re-enforces some stakeholders' perceptions that museums appeal to a certain typology, one that is exclusive, rather than inclusive. These demographics appear to be valid within the parameters of this research, for interviewees repeatedly commented that volunteers were elderly. The explanation for this demographic profile is that the elderly is time rich and often keen to be involved in the community's activities, supporting Nina (2013) observation. By contrast, middle-aged members of the community are often pre-occupied with family matters or too exhausted from commuting when they return home. The absence of younger volunteers is explained by their reluctance to become involved in 'an old people's activity'. There is also a recognition that museums are competing with other leisure activities to attract volunteers and that there is a finite limit of interest and enthusiasm within a community to support a particular activity.

Literature (Museums Galleries Scotland, 2015b) has identified that the voluntary nature of the relationship means that the willingness to be involved can also translate into a willingness to pursue their own agenda, therefore managing volunteers can be problematic. Difficulties relating to work schedules and training bear out the literature (Leask, 2012). The challenge for trustees and managers is developing the volunteers' skills and competences without damaging their enthusiasm or motivation; attributes recognised by other stakeholders as providing the museums with a source of competitive advantage over larger urban museums. Sharing many of these characteristics are Friends.

Eight museums identified a 'Friends' organisation as a stakeholder that influences or had affected the museum. Friends are often regarded as synonymous with volunteers, but (SMC, 2006) defined a 'friend' as a benefactor who donates money for the opportunity to network at museum events, a definition many of the interviewees supported. This financial support may exist in the form of an annual donation which the manager may use as he/she sees fit, or as a bonus that allows the trustees to spend on luxuries rather than necessities.

The data suggests that two of the museums operated the most integrated scheme, using the Friends as a sounding board for ideas. On the other hand, they were viewed as labourers who could help to maintain and repair the buildings. This different interpretation may be historical or because the respondent's experience was as a businessman rather than a curator and therefore may have been unaware of SMC's definition.

Friends, as a stakeholder, possess legitimacy, as they are a separately constituted body designed to promote and support the museum, but they exercise neither urgency nor power. Their power lies in their ability to persuade the trustees through argument, but their limited financial and physical donations restrict that power, so ultimately their influence is conditional on working co-operatively with the trustees. This success lies in having a clear understanding of the Friends' role and a proactive, charismatic leader. The difficulty arises if the leader leaves or if the Friends focus on a set of objectives that are either irrelevant or conflict with the trustees or manager. Scorrano (2012) observed that where a Friends' objectives did not integrate with organisational objectives conflict arose. This typology was evident at one museum, but most vividly at a museum where the person who had launched the museum was also chairman of trustees.

This lack of organisational alignment became evident when the Friends clashed with the chairman of trustees. The Friends' action turned it from a discretionary stakeholder to a dominant stakeholder in the opinion of the definitive stakeholder. The trustees' decided to support the chairman and dissolve the Friends. This re-in forced the chairman's position as the definitive stakeholder and relegated the Friends to a non-stakeholder. These examples illustrate that Friends are a discretionary stakeholder whose ability to affect the organisation rests in their capacity to work with the definitive stakeholder or a dominant stakeholder. Their support and income is regarded as beneficial, but not essential. Their income is not core to the museums' activities, unlike that generated by visitors. This incident demonstrates that if a stakeholder possesses little potential to harm the organisation and cannot find an ally to limit or deny access to resources, the organisation will be impervious to the stakeholder's threats (Frooman, 2002).

Fifty-three non-local visitors were interviewed at 12 museums, however two museums recorded no visitors on the days that visits occurred. The visitor profile revealed that gender was evenly distributed: 27 male, 26 female, but analysis of the visitors' ages indicated that visitors were overwhelmingly middle aged or elderly. No visitors aged between 20 and 39 were recorded, and only three children who were accompanying their parents. The absence of museum visitors aged less than 40 years old was remarked upon by a number of visitors and re-iterates previous findings that museum visitors tend to be older (AIM, 2010).

A variety of explanations may exist for this generational skew, including: lack of interest in the subject material, poor presentation of material, or the perception amongst young people that visiting museums is unappealing and unglamorous, an activity associated with the family rather than friends.

The interviewees' motivation to visit a museum were complex, but coincided with previous literature including an opportunity to revive personal memories, a desire to gain general or specific knowledge, a social day out, and an opportunity to use a café or shop (Black, 2012, Nina, 2010). The most frequently expressed reason to visit a museum centred on knowledge acquisition (n = 23). Visitors expected the museum to provide an informative, structured story on a theme based on the local community (n = 21), because it distinguished the community from other communities. This interest was re-enforced by a wish to have enthusiastic, friendly, knowledgeable staff who were willing to engage in a relationship (n = 16). One visitor argued this social interaction differentiated small rural museums from their large urban counterparts where staff showed little or no enthusiasm to engage with the customer and consequently left the visitor disappointed. Another aspect associated with this intangible experience was access to details and stories about the community or personalities that rarely appeared in textbooks. This tacit knowledge derived from oral history and personal relationships provided the museum with an intangible, hard to copy resource (Dess, Eisner & McNamara, 2015). An example was a guide who could personally recollect an Australian visitor's ancestor emigrating from the village sixty years previously (Fi 7).

Black (2012) maintains that the visitor needs to be stimulated in a meaningful way. Larger, richer museums have increasingly relied on technology to achieve this outcome, but amongst these smaller rural museums stimulation is sourced in the staff-customer relationship. This rapport allows visitors to question and access the guides' tacit knowledge in a way many find intimidating in larger museums.

It is this connection to recent history, often artefacts or events within the living memory or connected to people within living memory, that stirs the visitors' interest. Events that have immediacy with the viewer arouse the greatest interest, for example, an egg separator reminded one visitor of her grandmother. The mundane ordinariness of the artefact in drawing out childhood memories made the artefacts seem more approachable and understandable and explained the preference of some of the visitors for these museums to larger, more sophisticated urban museums. Tufts & Milne (1999) maintain that these networks of relationships found at small museums help to differentiate a nation's tourist product from its competitors. This resource-based identifies that the collection is frequently not a small museum's source of competitive advantage, it is the visitors' experiences vis a vis the staff.

The one feature that surprisingly characterised visitors' comments was location. Visitors viewed this as a strength based on their picturesque settings, but also the absence of other visitors, which created a more pleasurable and less frenetic experience.

It was also claimed that fewer visitors led to friendlier interactions with people in the community and reinforced the relational rather than transactional experience associated with larger museums. Other benefits included: less pollution, less litter and less chance of rowdy or unpleasant behaviour by other tourists, all features noted as improving the visitors' experience (Deery & Jago, 2010; Miller, Merrilees & Coghlan, 2014). These intangible features create a competitive advantage; yet trustees, staff, volunteers and advisors fear their isolation is a barrier to visitors and possibly survival. This barrier therefore means that the local visitor may be an alternative source of income.

Local visitors exercise salience directly through their legitimacy and power to buy the museum's goods and services, but also indirectly through their membership of the community. The local visitors' experiences of the museum disseminate through the community and subsequently affect its decision to support or hinder the museum's actions; supporting Wilson et al's (2010) contention that organisations often exist within complex networks. The complexity will increase if a stakeholder occupies more than one position within the network, e.g. local visitor and community resident.

Less than a fifth of all visitors were local, but their motivations and expectations of local visitors paralleled non-local visitors based on the same complex reasons of education, recreation and social, but their emphasis differed. Local visitors placed a greater emphasis on the role of artefacts to stimulate their memories, a feature Black (2012) identified as strengthening familial ties.

Photographs in particular were cited as a motivation for the visit, because they helped to recollect memories of friends and family, reinforcing Black's (2012) observations. But intriguingly few local visitors (n=4) expressed any interest in the community's history. This difference in visitor motivation may reflect their belief that they know the community's history and therefore do not need this information; instead, they use the collection to stimulate their personal memories. It may also reflect the fact that the guides' tacit knowledge, which is enjoyed by the non-local visitor, is deemed irrelevant to the local visitor, because he/she possibly has the same knowledge or believes he/she has the same knowledge.

The fact that less than 20% of all visitors were local substantiated trustees, staff and volunteers' observations that the community rarely visited. A feature that some of these stakeholders could not understand, but others commented that the museum's proximity led some local people to dismiss it, believing that it could

be visited any time or, more starkly, a feeling that familiarity bred contempt. Despite this disappointment trustees recognised local visitors are a critical component of the visitor mix and their presence demonstrated the museum's link to the community, and implicitly access to local government funding.

Local government's salience as a stakeholder reveals itself in two ways: financial and technical. Financially, local authority money supported 10 of the 14 museums, whilst seven museums received curatorial advice. The seven museums who benefited from curatorial support, also received financial support from their respective local authorities. This financial and technical support gives the local authority, in many instances, the power, the legitimacy and frequently the urgency to affect a museum's strategy.

Local government is legally obligated to provide libraries under the 1887 Libraries Act (Scotland), an act that also established free admission to local authority museums. This fact was reinforced by the Local Government & Planning (Scotland) Act 1982. Local authorities in their various forms have also played a key role in funding many independent museums. This involvement was often a response to community pressure over a funding crisis. The outcome that invariably emerged was an ad hoc funding package that supported the museum, but created a precedent of financial dependency. It is suggested that this custom and practice led museums to become 'financial grant junkies' with little financial responsibility or strategic thought on the part of either the local authority or the museum. It underscored the Scottish Government and Museums Galleries Scotland's (2015a) concerns that museums needed to understand and implement behaviours that encourage sustainability.

The conundrum facing these museums is that local authority funding can be crucial to a museum's survival, but events beyond a museum's control can leave it open to the vagaries of political and managerial re-organisation. The manner in which a local authority can exercise power discourages some museums from actively pursuing service agreements or seeking larger grants the concern is that local authorities will use administrative controls or financial threats to impose certain values and norms on the way the museum operates. Even those in service agreements fear that they cannot oppose local authority requests or advice in case they withdraw funding. These fears reflect Frooman's (2002) argument that if the stakeholder has power, but no dependency on the firm, the stakeholder can limit or deny resources to force strategic change.

The community's role is complex, but highly salient, because it provides many of the museums' resources: labour, money, and particularly artefacts, however it also generates conflict. Nonetheless, the perception is that it is a dominant stakeholder (Mitchell, Agle & Wood, 1997), a view embraced by government as a means of achieving social inclusion (Sandell, 2007), but trustees and staff regarded it primarily as a source of artefacts.

Tufts & Milne (1999) questioned the curatorial value in museums collecting these community artefacts, because they possess little educational, artistic or social value. Their value lies in the complex process of giving, involving a mixture of altruism and egoism but the effect is to encourage the donor and related family and friends to visit. The dilemma for museums is that accepting these artefacts creates operational difficulties. The need to store and catalogue creates costs, yet rejection can alienate the donor and possibly the wider community, because it is implicitly a rejection of the community's values and experiences.

The tangible advantages and disadvantages associated with donation were well articulated by interviewees, but the intangible role that donation plays in binding the community together through the exchange of ideas and experiences and shared ideas was less well observed. There was a recognition that the collection reflected the community's experiences, for example emigration, but two of the museums have used their skills and competences to deliver other visitor activities, such as gardening, storytelling, catering and antique shops to create a sense of inclusion and a place for the community to interact socially. Most tellingly, both museums appear to have opened up their land and buildings as a community space in which other activities are encouraged. It supports Black's (2010) comments about museums as social settings and Kotler and Kotler (2000) that museums have become hybrids: part education, part leisure, and part social. Sandell (2007) states this strategy implies museums are places of inclusion rather than exclusion and emphasises a spirit of democracy. It also recognises that museums are in competition with other leisure attractions which contain public spaces designed to encourage social interaction, e.g. shopping malls (Museums Galleries Scotland, 2015b).

However, some in the community is the fear that museums attract outsiders who represent change and therefore a loss of control. Long-term residents believe that economically and culturally they are being displaced by new arrivals that come to control the levers of power because of their intellect and networks. This manifest itself in the belief that new arrivals misinterpret the past, because they have no historical connection to the community and little understanding of its values and then replicate these misinterpretations in a museum. It strengthens a belief in the community that the museum 'was not for them'. This alienation increases if visitors view the community as an extension of the museum to be viewed,

inspected and scrutinised. Inevitably, this creates a sense of animosity and intimidation. Urry's (2002) comments that the community's mood can switch from euphoria to xenophobia about tourists and tourism projects is amply demonstrated. It is this need to manage the community amongst other stakeholders that the Museums Galleries Scotland (2015a) is keen to emphasise museums invest in developing their strategy to encourage sustainability.

Mann (2007) stated that museum directors continued to use strategic plans as often a means to access resources e.g. accreditation or funding, rather than as analytical tool. Crittenden et al (2004) questioned the value of this thinking, but, as small business literature argues, these museums lack resources to sustain a more formal process (Mano 2010); and the five smallest museums are arguably the smallest of the small. It could be argued that the trustees' lack of strategic planning to the stark reality that it was unnecessary in such small organisations. The concern, though, is that a lack of formal strategy may explain these five museums' limited development, most clearly expressed by one trustee who stated that they (the trustees) were 'going through the motions', because they had lost their sense of purpose. Worryingly, a lack of strategy may reflect disillusionment, which in a cyclical manner feeds into a lack of strategy, and a sense of drift.

A second group of three museums were experiencing similar difficulties. These museums differed in that they had enjoyed periods of growth in the past, but were searching for products and/or markets that would enable them to grow again. They also differed in that they operated within a more dynamic environment, overseen by a trustee or manager who recognised the threats facing the museum. The business manager at one museum most vividly demonstrated this awareness, through her use of business and political networks. Her vision saw a nexus of networks centred on the locale under her direction.

This desire to control events reflects an internal locus of control (Rotter, 1966) is demonstrably shared by the chairmen of two museums. These three interviewees exhibited activities that writers (Dess, Eisner & McNamara, 2015; Mullins & Christy, 2013) associate with leadership, notably, setting direction, designing the organisation and nurturing a culture of excellence. Their actions, especially at two of the museums, indicate that they have used their power and legitimacy to dictate strategy, e.g. setting trustees strategic tasks, and developing a management sub-group to manage day-to-day affairs and develop strategy. It is worth noting that two of these three interviewees had run their own business and the third had grown up in a family business, an experience that will have shaped their behaviour (Stewart et al., 2010).

A final group of three museums developed strategy within a group framework. This involved trustees and paid staff, and extended in one case to include Friends. Mullins & Christy (2013) citing Vroom & Yetton's contingency model describes group decision making as one in which decision-making is based on co-operation and consensus. This may have been the result of an historical threat or demand: Heritage Lottery funding or conflict within the organisation. These threats proved to be an opportunity to clarify and re-set the museum's direction, clearly in two cases centred on the recruitment of new trustees. Another museum in decline had lapsed and developed around the operational needs of the moment. Here, disillusionment had turned to disengagement, because it was viewed as a fruitless, doomed exercise, arguably reinforcing Crittenden et al's (2004) belief that strategic planning has to demonstrate visible benefits.

6. Conclusion

The museums' characteristics were marked by low turnover, low staffing and limited collection; however, they were also characterised by enthusiasm, innovative practices and at times appropriate strategic thinking. Evidence suggests formal strategic planning has occurred when demanded by a definitive stakeholder e.g. museum accreditation. In these scenarios the museum uses its stakeholders to lever resources from them. However, once these demands have been met the stakeholder's power, urgency and legitimacy, vanish. Strategy often implies some form of planning process, but informality marked the process at the smallest museums in terms of income. Interviewees expressed strategic planning in terms, such as 'ad hoc' and 'just happens'; suggestive of an emergent strategy. Writers, such as Mintzberg have questioned the value of a formalised strategy in turbulent environments maintaining this policy restricts creativity and flexibility. This informality corresponded with a tendency to associate strategy with operational plans. Discussions with interviewees did not reveal a wider understanding of the museum's direction and scope over the longer term; instead, it equated to forthcoming exhibitions or maintenance concerns.

7. References

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